

HEALTH CARE FINANCING ADMINISTRATION

(Dollars in millions)

	1995 <u>Actual</u>	1996 <u>Policy*</u>	1997 <u>Request</u>	Request <u>+/-Policy</u>
Budget Authority	\$262,272	\$285,566	\$320,107	+\$34,541
Outlays**	248,920	272,475	295,675	+23,200
FTE	4,100	4,100	4,100	0

* Based on levels of the ninth CR, including an incremental policy adjustment.

** Includes non-HCFA administrative costs, and is net of offsetting receipts.

Summary

The FY 1997 budget request for the Health Care Financing Administration (HCFA) is \$296 billion (net of offsetting receipts) for Medicare and Medicaid benefits and operating costs, an increase of \$24 billion over FY 1996 (see Figure 1 for the distribution of spending). Spending for the Medicare and Medicaid programs represents 84 percent of the total HHS budget for FY 1997.

The Medicare and Medicaid budget includes legislative proposals that reduce spending by \$3 billion in FY 1997.

Medicare and Medicaid

combined will pay for the health care costs of approximately 72 million elderly, disabled and economically disadvantaged Americans in FY 1997 (individuals eligible for both Medicare and Medicaid are not double counted in this figure). In FY 1997, the number of people served by these programs will increase by about 2 million, or 2.3 percent, over FY 1996. Slightly more than a quarter of all Americans will receive Medicare or Medicaid services in FY 1997.

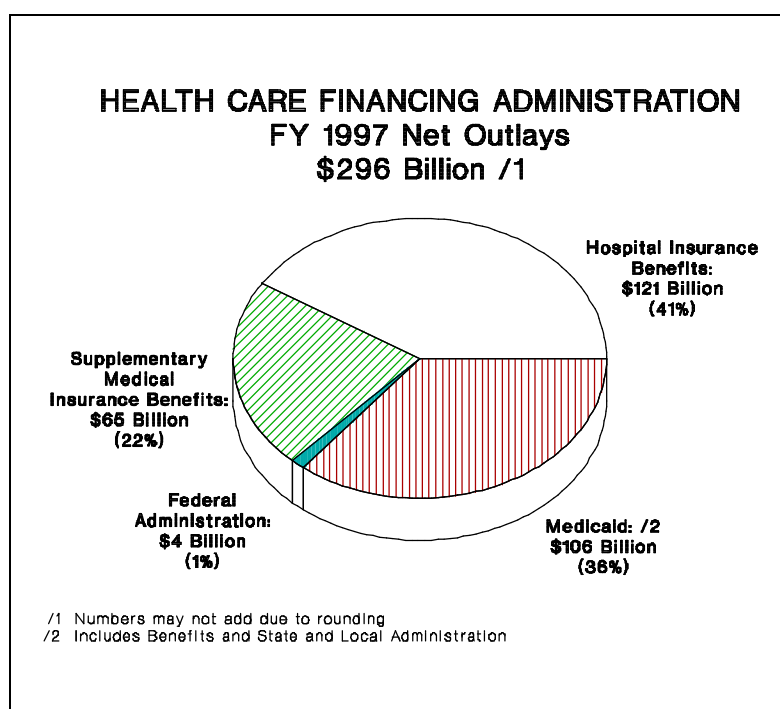


Figure 1